EVALUATION OF DETERMINANTS OF STRATEGY IMPLEMENTATION IN GOVERNMENT HOSPITALS IN NAIROBI COUNTY

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DECLARATION

This research project is my original work and has not been presented for a degree in any other University

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Approval

This project has been presented for examination with my approval as the appointed

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DEDICATION

I dedicated this study to my family, my wife Margaret, my children Luke and Natalia who have been our constant source of inspiration. They have given me the drive and moral support to tackle any task with enthusiasm and determination. Without their love, support and peace of mind this project would not have been made possible.

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ABSTRACT

This study sought to establish the determinants influencing strategy implementation in Government hospitals in Nairobi County. The study sought to examine whether organization structures, culture, leadership, resources and communication influences strategy implementation in government hospitals. A descriptive survey was adopted. The target population was the CEO and Head of department employees from the 18 government hospitals in Nairobi County and given the size of the population, a sample size of 108 employees was selected through stratified random sampling method. The employees were stratified into two strata which was CEO employee and Head of departments employees. Within each stratum, simple random sampling was used to identify individual employee respondents. Data was collected by use of questionnaires. The questionnaire consisted of structured open and closed ended statements. The study adopted a descriptive case study research design. Data was analyzed by the use of descriptive statistics and inferential analysis. Specifically, means, frequencies and percentages were used. Factor Analysis and Correlation analysis was used to extract the relevant factors and their relationship with strategy implementation. The findings were presented in tables, figures and graphs. It can be concluded that there was effective strategy implementation at the government hospitals. It is possible to conclude that organization structures in place in government hospitals in Nairobi distort and dilute the intended strategy. Organization structure at government hospitals was inconsistent with strategy implementation and this may have led to poor strategy implementation. It can be concluded that the implementation of a strategy in Kenyan hospitals often encounters rough going because of deep rooted cultural biases in the organization .Therefore it was possible to conclude that culture at government hospitals was not conducive for strategy implementation and this may have led to poor strategy implementation. It was concluded that leadership at government hospitals was not effective and this may have led to poor strategy implementation. The study concluded that organization resources are key determinants of strategy implementation. The management of organization resources at government hospital is not effective and this had led to poor strategy implementation the study concluded that communication channels for strategy implementation at government hospitals are not conducive and this may have contributed to the poor implementation of strategy. The study recommends for strategy implementation to be successful, government hospitals and other health centre institutions needs effective leadership and to align its culture to strategy. Specifically, hospitals need to address the resistance of employees by improving on communication and training.

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LIST OF ABBREVIATIONS AND ACRONYMS

CEO   Chief Executive Officer

DSS   Decision Support Systems

ERS   Economic Recovery Stimulus

ICT   Information Communication and Management

KHPF   Kenya Health Policy Framework

MDGs   Millennium Development Goals

MoPHS   Ministry of Public Health Services

MTSS   Medium Term Sector Strategy

NPEP   National Poverty Eradication Policy

NSHDP   National Strategic Health Development Plan

SPSS   Statistical Package for the Social Sciences

CHAPTER ONE

INTRODUCTION

1.1   Background of the Study

Strategic management is increasingly becoming extensively used by large and small firms, nonprofit institutions, governmental organizations and multinationals as they seek to adapt to the rapidly changing environment (David, 2003). Public sector organizations according to Sterling (2003 are formed for the purpose of serving the public as opposed to the accumulation of profits for owners or investors benefit and their roles are increasingly taking centre place in the lives of people globally. In the same vein, there has been rising scrutiny and expectation from beneficiaries, governments, partners and donors for them to be run professionally with higher levels of accountability, efficiency, effectiveness, sustainability as well as demonstration of the impact of their work.

Strategy implementation as a process of transforming strategic intentions into actions for decision making and embracing all those actions that are necessary to put the strategy into practice (Kiruthi, 2001) also entails development of programs, budgets and procedures. Successful implementation is therefore critical and difficult as the strategic choice that requires consideration of the resources to be used which include human resource, structure, systems and other changes. Even though formulating a consistent strategy is a difficult task for any management team, making that strategy work (implementing it) throughout the organization is even more difficult (Hrebiniak, 2006). A myriad of factors can potentially affect the process by which strategic plans are turned into organizational action and unlike strategy formulation, strategy implementation may be seen as something of a craft, rather than a science, and its research history has previously been described as fragmented and eclectic (Noble, 1999b). The strategy implementation process according to Steiner (1997), covers the entire managerial activities and as argued by Higgins (2005) almost all the management functions which include; planning, controlling, organizing, motivating, leading, directing, integrating, communicating, and innovations are in some degree applied in the implementation process. To effectively direct and control the use of the firm's resources, Pierce and Robinson (2003) stress that mechanisms such as organizational structure, information systems, leadership styles, assignment of key managers, budgeting, rewards, and control systems are essential strategy implementation ingredients. Overall, the concept is that implementation activities are closely related to one

another and decisions about each other are usually made simultaneously. As such the implementation process includes the various management activities that are necessary to put strategy in motion, institute strategic controls that monitor progress and ultimately achieve organizational goals. There are many (soft, hard and mixed) factors that determine the success of strategy implementation in government hospitals, ranging from the people who communicate or implement the strategy to the systems or mechanisms in place for co-ordination and control resources.

Since independence in 1963, The Kenyan Government has initiated or adopted several policies and strategies aimed at improving service delivery as well as improving the welfare and economic wellbeing of the citizenry. Among these includes Sessional Paper No. 10 of 1965 which focused on the elimination of poverty, disease and ignorance, adoption of Millennium Development Goals (MDGs) which among advocated among others are health related approaches focusing on the need to scale-up investment up to 2015 in order to achieve the goals. Most recently government came up with National Poverty Eradication Plan (NPEP), the Poverty Reduction Strategy Paper (PRSP), the Economic Recovery Stimulus (ERS) and the Vision 2030.

Specifically, the Vision 2030 advocates for the restructuring of the health delivery system especially Government hospitals and strengthening of health service delivery will be achieved through decentralization and operationalization of health care management to the facility level, pursuant of which, the major flagship projects will be; de-linking the Ministry of Health from service delivery to focus on regulation and supervision and providing operational autonomy to tiers 4, 5 and 6 (district, provincial and national) hospitals. The re-categorisation of hospitals by the government is a step in the right direction. Under this thrust will be to establish functional referral systems at all levels (hub and spoke model). Under revitalisation of health infrastructure, two specific initiatives will be undertaken: Rehabilitation of Government health facilities, primarily community health centres and dispensaries whose work is to promote preventive health care and to treat diseases at the community level. The implementation of these strategies will prepare Government hospitals to consolidate Kenya's position as the regional hub for health care services. In addition, in the health sector reforms have therefore been introduced to improve the country's health care delivery systems. Despite an unprecedented rise in the Government's financial allocation to the health sector, the need for health services has escalated beyond the financing capacity of the Ministry of Health (Vision, 2030).

A review of strategic plan (2005/6-2009/10) carried out in 2010 by the Ministry of Public Health and Sanitation (MoPHS) observed that the poor implementation process of the strategies and recommended that strategic planning and implementation be fast tracked The report also identified inefficient support systems especially finance, procurement and commodity logistics, human resource management, referral and regulatory systems negatively affected the implementation of the planned activities and hence delivery of quality health services to Kenyans. Similarly, review of National Health Sector Strategic Plan 2005/2010 number of key challenges including lack of resources, poor working environment and lack of staff involvement leading to poor staff morale which has had negative impact on service delivery in public healthcare institution. In order to improve, reorganization of the district administration was recommended, that is, creation of new districts called for the development of new public health and medical services offices hence increasing the number of planning units to be involved in developing the plan. Also, the review emphasized the need of improvements driven by the level of investments made in the health sector in terms of health inputs such as human resources, infrastructure, commodities and operations. It was further noted that better focused management support would lead to better efficiency in translating the inputs into service improvements.

1.1.1 Strategy Implementation

Research emphasizing strategy implementation is classified by Bourgeois and Brodwin (2004) as part of a first wave of studies proposing structural views as important facilitators for strategy implementation success. Beyond the preoccupation of many authors with firm structure, a second wave of investigations advocated interpersonal processes and issues as crucial to any marketing strategy implementation effort (Noble and Mokwa, 1999). Conflicting empirical results founded upon contrasting theoretical premises indicate that strategy implementation is a complex phenomenon. In recent years organizations have sought to create greater organizational flexibility in responding to environmental turbulence by moving away from hierarchical structures to more modular forms.

Responsibility, resources and power in firms has been the subject of decentralization and delivering. Given an intensifying competitive environment, it is regularly asserted that the critical determinant in the success and, doubtlessly, the survival of the firm is the successful implementation of marketing strategies. The role and tasks of those employees charged with

strategy implementation duties, the mid-level managers, in these new restructured organizations is under scrutiny.

The fatal problem with strategy implementation is the de facto success rate of intended strategies. In research studies it is as low at 10 percent (Judson, 1991). Despite this abysmal record, strategy implementation does not seem to be a popular topic at all. In fact, some managers mistake implementation as a strategic afterthought and a pure top-down-approach. Instead, management spends most of its attention on strategy formulation.

A company's organizational structure maps out roles and responsibilities along with reporting relationships. It refers to the shape, division of labor, job duties and responsibilities, the distribution of power and division-making procedures within the company, which influences the types of strategy used by an organization (Okumu, 2003). It is a formal framework by which jobs tasks are divided, grouped and coordinated. Organizational structure is a major priority in implementing a carefully formulated strategy. It helps people pull together in their activities that promote effective strategy implementation. The structure of an organization should be compatible either for the structure or the strategy itself (Koske, 2003). However, Mintzberg and Quinn (1991), argue that the central problem in structuring today is not the one on which mot organization designers will spend their time by dividing of tasks. It is one of emphasis on how to make the whole thing work.

Historically, numerous researchers in strategic management bestowed great significance to the strategic formulation process and considered strategy implementation as a mere by-product or invariable consequence of planning (Wind and Robertson, 1983). Fortunately, insights in this area have been made recently which temper our knowledge of developing strategy with the reality of executing that which is crafted (Olson et al.,2005). However, as strategy implementation is both a multifaceted and complex organizational process, it is only by taking a broad view that a wide span of potentially valuable insights is generated

1.2   Statement of the Problem

Strategy implementation is therefore necessary in government hospitals in order to significantly contribute to the hospitals performance in terms of improved services, organizational culture, increased support, improved customer relations, improved funding and improved financial

performance of the hospitals. Despite Government hospitals having adopted strategic planning there is insufficient evidence that can clearly show what is the effect and impact of strategic management on their performance. The review of strategic plan (2005/6-2009/10) in 2010 by the Ministry of Public Health and Sanitation (MoPHS, 2010) established that 58% of the health workers were dissatisfied with the strategy implementation process, delay in initiating the implementation process and lack of ownership of planned strategies by stakeholders including staff. Others included lack of understanding of the monitoring indicators for both service delivery and management support leading to differences in compiling of information by the reporting units, lack of reporting by districts and provinces on challenges experienced during implementation. Lack of standardized performance reporting tools for districts and provincial government hospitals and regulatory systems which negatively affect the implementation of the planned activities and hence delivery of quality health services to Kenyans.

Government hospitals are nonprofit institutions and often consider their services as moral, righteous, and serving a good cause and as such there is reluctance to redirect their resources to other projects when the current ones do not produce results, yet they need a lot of discipline to abandon non-working strategies perhaps even more than the profit oriented firms (Warsame 2002, Johnson, et al., 2008 and Suarez, 2010). The reviewed literature posits that despite adoption of strategic management in public hospitals, there exists insufficient evidence that can clearly show what constitutes strategy implementation in Government hospitals in Nairobi County therefore knowledge gap in this area which forms the basis for this study which is determinants that influence strategy implementation within Government hospitals in Nairobi County.

1.3   Objectives of the Study

1.3.1   General Objective

The general objective this study was to evaluate the determinants influencing strategy implementation in Government hospitals in Nairobi County.

1.3.2   Specific Objectives

i.   To establish the extent that alignment of organizational structures affect strategy implementation in Government hospitals in Nairobi County.

ii. To establish whether alignment of organizational culture affects strategy implementation in Government hospitals in Nairobi County.

iii. To examine whether alignment of leadership affects strategy implementation in Government hospitals in Nairobi County.

iv. To examine whether allocation of resources affect strategy implementation in Government hospitals in Nairobi County.

v. To examine to what extent does communication processes affect strategy implementation in Government hospitals in Nairobi County.

1.4 Research Hypotheses

Ho_1: Organization structure has no influence on strategy implementation in public hospitals in Nairobi County.

H_{02}: Organization culture does not influence strategy implementation in public hospitals in Nairobi County.

H_{03}: Leadership has no influence on strategy implementation in public hospitals in Nairobi County.

H_{04}: Resource allocation in terms of finance and human capital does not influence strategy implementation in public hospitals in Nairobi County.

H_{05}: Communication has no influences on strategy implementation in public hospitals in Nairobi County.

1.5 Importance of the Study /Justification

Arising from the importance of strategy implementation process to the overall effectiveness of strategy, assessing the determinants of strategy implementation is imperative where any research or organizational approach to implementation of strategy is under consideration.

This study can therefore be beneficial to various stakeholders of strategy implementation. Firstly the results of this study was used by management of the government hospitals, who learnt the determinants of strategy implementation and what can be done to achieve success hence improving hospital performance and service delivery.

Secondly, this study added to existing literature hence future academic researchers used the results as a source of reference. The findings of this study compared with strategy execution in

other sectors to draw conclusions on how various factors influence strategy implementation within different contexts. Thirdly, this study acted as a mirror to the Ministry of Health. As a regulator of healthcare services they used the findings to enhance and improve the performance of Government hospitals in delivery of health service to Kenyans. Lastly, planning is based on facts and figures and as such the research provided the government with this critical information for policy makers. Therefore, policy makers used these findings for better planning in health service

1.6   Scope and Limitation of the Study

The study focused on the Government Hospitals in Nairobi County. This study was limited to hospitals operating in the County as at April 2013. According to the ministry of health there are (population) 18 medical centres in Nairobi County. This compromises 2 referral hospitals, 4 district hospitals, 9 health centres and 3 medical clinics. Both Primary and Secondary data shall be used. Previous studies which are relevant to this study, journals, policies and manuals. These materials were used to obtain knowledge to arrive at a logical conclusion.

Stratified random sampling was used. The sample frame consisted of 18 health centres in Nairobi County. Statistical Package for Social Sciences (SPSS ver. 20) was used to determine measures of central tendency (Mean, Mode and Median).

In pursuit of this study several limitations are envisioned. First is the cost in terms of time and finances to carry out an extensive and exhaustive research. However, the researcher planned well of the time available through using project tools such as project network analysis and Gantt chart. Secondly, due to nature of target organization, some organizations might be skeptical of the research, and in some cases it might be difficult to obtain accurate information because of fear of appraisal/victimization on the part of the respondents. However, with assurance of confidentiality of the information obtained, this problem was minimized. Lastly, the study was qualitative, relying on staff perceptions and views on the subject; the quality of data depends on them. In spite of this, however, the researcher tried his best in the circumstances to address the above limitation and come up with a report that meet the expectations of the examiners.

1.7   Definition of Key Terms

Strategy

Porter (1980) defines "strategy" in terms of competitive strategy which is 'about being different.' He argues that strategy is being in a competitive position, being different in the eyes of the customer, and adding value through a combination of activities that are different from those of competitors. It is the pattern or plan that integrates an organization's major goals, policies and action sequence into a cohesive whole (Thompson and Strickland, 2004).

Strategic Management

Is the set of decisions and actions resulting in the formulation and implementation of strategies designed to achieve the objectives of an organization (Pearce and Robinson, 2003). Although there is no universally accepted definition of strategy implementation Wu et al. (2004) simply defines it as the process of transforming strategic intentions into actions. Implementation of the chosen strategy is by any measure one of the most vital phases in the decision making process; it embraces all those actions that are necessary to put the strategy into practice (Kiruthi, 2001).

Government Hospitals

Are defined as hospitals which are built, financed and managed by the government themselves, with or without community assistance. The distinctive feature of these hospitals is that the government is responsible for payment of staff' salaries and provides subsidies in terms of medicines and infrastructure.

Organizational Culture

involves shared basic assumptions which are created, explored, developed and perceived by a given group as it learns to deal continuously with adopting to its external environment while consciously reconciling and adapting to it internal functions (Kotter & Henskett 1992: Schein 2004: Trompenaars & Hampden, 2004).

Strategy implementation

Strategy implementation is the translation of chosen strategy into organizational action so as to achieve strategic goals and objectives. Strategy implementation is also defined as the manner in which an organization should develop, utilize, and amalgamate organizational structure, control systems, and culture to follow strategies that lead to competitive advantage and a better performance. Implementing an operations strategy involves taking ideas, decisions, plans, policies, objectives and other aspects of the strategy and implementing them into actions (Waters and Waters, 2006).

CHAPTER TWO

LITERATURE REVIEW

2.0   Introduction

This chapter explored theoretical frameworks and models regarding strategy implementation. It came out with a conceptual framework for the study in relation to determinants of strategy implementation. It examined the empirical studies linked to strategy implementation and critiqued them to establish the research gaps of the study. The chapter was structured as follows: theoretical and model frameworks and models, review of variables, empirical studies, critique, research gaps, summary and conclusions

2.1   Theoretical Framework

A theory is a set of interrelated concepts, definitions, and propositions that present a systematic view of events or situations by specifying relations among variables in order to explain and predict events or situations (Van Rayan & Heyaney, 1992). Theoretical literature begins with formal models that seek to explain participation patterns of underlying theory (Heilbrun & Gray, 1993). In this study, theories Resource based view theory, contingency theory and Curt Lewin's Change Management Model have been dressed and a conceptual framework developed.

2.1.1   Contingency Theory

Fiedler's contingency theory argues that effective leadership depends not only on the style of leading but on the control over a situation. There needs to be good leader-member relations, task with clear goals and procedures and the ability for the leader to mete out rewards and punishments (Fiedler, 1958). According to Scott (1986) contingency theory argues that the best way to organize depends on the nature of the environment to which the organization must relate. Other researchers such as Lawrence, Lorsch, (1967) and Thompson (1967) complements this statement but focuses on the impact of contingency factors on organizational structure where they argue that the dominant paradigm of organizational structural theories for most of the 1970s. A major empirical test was furnished by Pennings (1992) who examined the interaction between environmental uncertainty, organization structure and various aspects of performance.

Historically, contingency theory has sought to formulate broad generalizations about the formal structures that are typically associated with or best fit the use of different technologies. The

perspective originated with the work of Woodward (1958), who argued that technologies directly determine differences in such organizational attributes as span of control, centralization of authority, and the formalization of rules and procedures. The contingency theory of organizational structure may be referred to more succinctly as structural contingency theory (Pfeffer, 1982). A challenge is that structural contingency theory is static and fails to deal with organizational change and adaptation (Galunic and Eisenhardt, 1994). It is true to say the heart of structural contingency theory is statics, in the sense that it deals with how a static state of fit between structure and contingency causes high performance (Woodward, 1965).

However, structural contingency theory writings are within a functionalist tradition of social science (Merton, 1968) that sees organizations as adapting to their changing environments (Parsons, 1961). Therefore, organizations change from one fit to another over time. More specifically, there is a process that has been articulated in the theoretical model of Structural Adaptation to Regain Fit (SARFIT) (Donaldson, 1987, 2001). An organization in fit enjoys higher performance, which generates surplus resources and leads to expansion (Hamilton and Shergill, 1992), such as growth in size, geographic extension, innovation or diversification. This increases the level of the contingency variables, such as size, leading to a misfit with the existing structure. The misfit lowers performance, eventually leading to a performance crisis and adaptive structural change into fit (Chandler, 1962).

This SARFIT theory subsumes several seminal works in structural contingency theory, such as Chandler (1962) on divisionalization changes in response to changing strategies and Bums and Stalker (1961) on changes from mechanistic to organic structures in response to technological and market change in the environment. Thus, the structural contingency theory tradition has always contained ideas about dynamics and these are formulated in the SARFIT theory.

2.1.2 Curt Lewin's Change Management Model

When dealing with big changes, organizational change management is important. There are several change management models being utilized and modified today. While they may have different approaches, depending on the situation they confront, their objective is always for the company to successfully implement the change process in a smooth and efficient way. The Lewin's Change Management Model as described by Blokdijk (2008) is still used today. Conceptualized by psychologist Kurt Lewin in the 1950's, it emphasizes three stages of change: unfreezing, modification, then refreezing. He explains that people do not usually accept change

as a part of the work process, and would continually stay in their comfort-zone. In overcoming this status quo, the organization must motivate the people for the change to occur.

Modification involves a transition from the current state to the desired state. This is the second stage in Lewin's Model. The transition may be a little uncomfortable for most employees, but with proper motivation and good leadership, the firm will still be able to implement the change. The modification period is very critical because it involves a lot of training, skills transfer, and the most sensitive of all, personnel re-alignments and even reduction.

The third stage, refreezing is about establishing stability once the changes have been made. The changes are accepted and become the new norm. People form new relationships and become comfortable with their routines. Curt Lewin (1947) wrote that a change towards a higher level of group performance is frequently short-lived. Group life soon returns to the next level. This indicates that it does not suffice to define the objective of planned change in group performance as the reaching of a different level. Permanency of the new level, or permanency for a desired period, should be included in the objective.

In today's world of change the next new change could happen in weeks or less. There is just no time to settle into comfortable routines. This rigidity of refreezing does not fit with modern thinking about change being a continuous, sometimes chaotic process in which great flexibility is demanded. Instead we should think about this final stage as being more flexible rather than a rigid frozen block. This way 'unfreezing' for the next change might be easier. Lewin's concern is about reinforcing the change and ensuring that the desired change is accepted and maintained into the future. Without this people tend to go to doing what they are used to doing. The model is easy to understand and is a simple way of implementing change. However, the model seems to suggest that the change process has an end while in fact it is a continuous process. It also does not properly process the after-effects of the change on the employees' morale like the fear of having another change coming.

2.2   Empirical Literature Review

Strategy implementation has to do with putting a chosen strategy into action and to make the strategy operational. The resultant conceptual framework has two types of variables. First are independent variables which are assumed to be determined outside the framework. These are factors such as organizational structure, organizational culture, leadership, commitment,

resources and communication. Strategy implementation then is referred as the dependent variable. In this framework, the dependent variable is successful strategy implementation. This depends on the independent variables.

An organization needs annual objectives, functional strategies, and policies. Institutionalizing the strategy requires the organization to ensure a fit between the chosen strategy and its structure, leadership, culture, among other factors (Okumu, 2003). He further notes that success in business is affected by how well a good strategy is implemented regardless of the sector in which an organization is operating. The major determinants that influence strategy implementation include:

2.2.1 Organizational structure

According to a study done by Heide & Gronhaug & Johannessens (2002), factors relating to the organizational structure are the second most important implementation barrier. Proper strategy and structure alignment are a necessary precursor to the successful implementation of new business strategies (Noble, 1999b). Drazin and Howard (2004) further point out that changes in the competitive environment require adjustments to the organizational structure. If a firm lags in making this realignment, is may exhibit poor performance and be at a serious competitive disadvantage.

Different strategy types have different requirements regarding an adequate organizational structure (e.g., White, 1986; Olson & Slater & Hult, 2005). Olson, Slater and Hult (2005) identify a taxonomy comprised of four different combinations of structure/behavior types, which they label as: management dominant, customer centric innovators, customer centric cost controllers and middle ground. These alternative structure/behavior types are then matched with specific business strategies (i.e., Prospectors, Analyzers, Low Cost Defenders, differentiated Defenders) in order to identify which combination (s) of structures and behaviors best serve to facilitate the process of implementing a specific strategy.

2.2.2 Organizational Culture

Organizational culture has been identified by strategy scholars as important for effectively implementing plans in high performance organizations (Peters & Waterman 1982; Collins & Porras 1994; Hubbard et al 2002). This suggests that organizations which are not able to sustain

their high performance, may have neglected the role of organizational culture. Having the appropriate culture or initiating Organizational change inevitably generates resistance (Deetz, Tracy and Simpson 2000; Poole, et al. 2000; Zaltman, Duncan, Stanley, 2005 and Oreg, 2006). In even the best of circumstances, change creates uncertainty and ambiguity, and employees respond to those anxieties in myriad ways, many of which undermine the organization's objectives. Some changes also carry tangible threats, to the status, self-esteem, incomes, or job security of particular groups of workers (Schultz, 2006). As a result, even changes that on the surface seem to promise enhanced rewards or working conditions are resisted. When the changes are sudden, significant, imposed from the outside, involve employees from multiple, different cultures and subcultures, and/or are mishandled by management, the likelihood of resistance increases substantially.

2.2.3 Leadership

Leadership can be comprised of top management, middle management, lower management and non-management. Effectiveness of strategy implementation is, at least in part, affected by the quality of people involved in the process (Govindarajan, 1989). Harrington (2006) further notes that a higher level in total organizational involvement during strategy implementation had positive effects on the level of implementation success, firm profits and overall firm success. Several researchers have emphasized the effect of top management on strategy implementation (Smith & Kofron, 1996; Schmidt & Brauer, 2006; Schaap, 2006). Hrebiniak and Snow (1982) found that the process of interaction and participation among the top management team typically lead to greater commitment to the firm's goals and strategies.

There are also studies that have examined the ambiguous relationships between top management and middle management in the context of strategy implementation. On the one hand, middle managers expect direction and support from their top management. If they receive this guidance, then they will provide support for the strategy in return. One of the key factors determining their level of support is their demographic situation (such as age, gender, educational background, and business experience) (Qi, 2005). On the other hand, top management should expect middle level managers to question strategic decisions (Wooldridge & Floyd, 1990). Unfortunately, few authors study the impact of lower management and non-management on strategy implementation. Rapert & Lynch & Suter, (1996) believes that an organization must first persuade its employees about the importance of the strategy before turning to customers. Thus,

the lack of shared knowledge with lower level management and non-management employees creates a barrier to successful strategy implementation (Noble, 1999b)

2.2.4   Resources

It has been defined as the process of ensuring that all necessary time, financial resources, human capital, skills and knowledge are made available (Okumu, 2003).Human resources are often under-utilized within organizations in comparison with the attention paid to financial and technological resource areas (Gunnigle and Moore ,1994). It may be argued, therefore, that the route to competitive advantage requires the optimal utilization of all its resources: human, financial, technical and technological. It is closely linked with operational planning and has a great deal of impact on communicating and on providing training and incentives (Gunnigle and Moore, 1994). Okumu (2003) suggests issues to be considered as: the procedures of securing and allocating financial resources for the new strategy; information and knowledge requirements for the process of implementing a new strategy; the time available to complete the implementation process; and political and cultural issues within the company and their impact on resource allocation.

With this in context the characteristics of, and changes in, the external and internal context have impacts on the outcomes and the characteristics of the process variables, and how they are used, determining the outcomes of the project implementation, resulting in tangible and intangible outcomes to the project. Gunnigle and Moore (1994) argue that organizations will experience severe problems in strategy implementation if it is not effectively linked with appropriate personnel policy choices. A policy need to be in place that allows for recruitment of new staff as per requirements of the new business strategy implementation.

2.2.5 Communication

At least, numerous researchers have already emphasized the importance of communication for the process of strategy implementation (Alexander, 1985; Rapert & Wren, 1998; Peng & Litteljohn, 2001; Heide & Gronhaug & Johannessen, 2002; Rapert & Velliquette & Garretson, 2002; Forman & Argenti, 2005; Schaap, 2006). That research in this area is needed is emphasized by an older finding by Alexander from 1985: Based on interviews with 21 presidents and 25 governmental agency heads, Alexander (1985) points out that communication is mentioned more frequently than any other single item promoting successful strategy implementation. The content of such communications includes clearly explaining what new responsibilities, tasks, and duties need to be performed by the affected employees. It also includes the why behind changed job activities, and more fundamentally the reasons why the new strategic decision was made firstly.

Organizations where employees have easy access to management through open and supportive communication climates tend to outperform those with more restrictive communication environments (Rapert, Velliquette and Garretson, 2002). Also the findings of Peng and Litteljohn (2001) show that effective communication is a key requirement for effective strategy implementation. Organizational communication plays an important role in training, knowledge dissemination and learning during the process of strategy implementation. In fact, communication is pervasive in every aspect of strategy implementation, as it relates in a complex way to organizing processes, organizational context and implementation objectives which, in turn, have an effect on the process of implementation. Also, communication barriers are reported more frequently than any other type of barriers, such as organizational structure barriers, learning barriers, personnel management barriers, or cultural barriers.

2.2.6 Commitment

Shared understanding without commitment may result in "counter effort" and negatively affect performance (Rapert, Lynch and Suter, 1996). Strategic implementation efforts may fail if the strategy does not enjoy support and commitment by all the stakeholders. This may be the case if they were not consulted during the development phase (Heracleous, 2000). Alexander (1985) thinks obtaining employee commitment and involvement can promote successful strategy implementation (on the basis of telephone interviews with top management like CEOs). Some top management believes that one way to accomplish this is to involve employees and managers

right from the start in the strategy formulation process. Involvement and commitment should also be developed and maintained throughout the implementation process. If middle and lower level managers and key subordinates are permitted to be involved with the detailed implementation planning, their commitment will be likely to increase.

2.2.7   Strategy Formulation

Good execution cannot overcome the shortcomings of a bad strategy or a poor strategic planning effort (Hrebiniak, 2006). Several studies mention the fact that the kind of strategy that is developed (Alexander, 1985; Allio, 2005) and the actual process of strategy formulation, namely, how a strategy is developed (Kim & Mauborgne, 1991, 1993; Singh, 1998) will influence the effect of implementation. Alexander (1985) believes that the need to start with a formulated strategy that involves a good idea or concept is mentioned most often in helping promote successful implementation.

Whether a strategy itself is consistent and fitting or not is a key question for successful strategy implementation, but even a consistent strategy cannot be all things to all people. Bantel (1997) suggests that particular product/market strategies are effective at achieving particular performance goals to the exclusion of others. One of his conclusions is that synergies between strategy types and implementation. Strategy formulation is thus both an institutional and an interpersonal process that gathers data and viewpoints and ultimately results in strategic decisions. These strategic decisions and how they have been reached have a major impact on strategy implementation success.

2.2.8   Implementation Strategy

According to Nutt (1989) four types of implementation tactics are used by managers in making planned changes, by profiling 91 case studies: intervention, participation, persuasion, and edict (command). The study found a 100 percent success rate when key executives used an intervention tactic, but observed this tactic in less than 20 percent of the cases. Both the persuasion and participation tactics had 75 percent success rates; persuasion had the highest frequency of use, 42 percent, and participation the lowest, 17 percent. Implementation by edict had a 43 percent success rate and a 23 percent frequency of use. Nutt (1989) explains the four tactics as follows: Intervention refers to strategy adjustments during the implementation stage by introducing new norms and practices. Participation consists of articulating strategic goals

and nominating a task force that develops and proposes corresponding implementation options. Persuasion consists of the tactic of using the involved parties to convince employees about the decided course of actions. The main mechanism for implementation in the edicts tactics (that relies on power and is characterized by absence of participation) is the issuing of directives.

In another study by Nutt (1989), intervention, participation, persuasion, and edict were found to describe over 90 percent of the tactics used by strategic managers. The analysis revealed that these four archetypical tactics were used almost exclusively. An "interventionist" approach had the best results, but was used in only one case in five. "Persuasion" and "participation" were the next most effective tactics, whereas "edict" was least effective one. Nutt (1989) set up a contingency framework that uses situational constraints, such as a managers freedom to act and need for consultation.

We have now discussed key factors that can determine the success of strategy implementation. Of course this list cannot be comprehensive and non-exhaustive, as many other issues potentially affect strategy implementation. These other factors, however, are less mentioned or not analyzed in-depth, as many of them are also much harder to control or modify. These important other factors include; administrative systems (Govindarajan (1988); Roth, Schweiger & Morrison (1991)), firm size (Harrington, 2006), the external environment (Alexander, 1985) or the general market environment (Wernham, 1985), the implementation stages (Wernham, 1985), internal guidelines (Alexander, 1985; Govindarajan & Fisher, 1990; Hrebiniak, 2006), the power structure (Hrebiniak, 2006), material resources (Wernham, 1985; Alexander, 1985), a company's market orientation (Homburg & Krohmer & Workman, 2004), Relationships among different units/departments and different strategy levels (Walker & Ruekert, 1987; Gupta, 1987; Slater & Olson, 2001; Chimhanzi, 2004; Chimhanzi & Morgan, 2005) and rewards or incentives (Schaap, 2006).

Most previous research projects into competitive strategies and implementation have concentrated generally on developed countries. Not many local studies have focused on the competitive strategies adopted by government in public hospitals or the hospital industry in Kenya. Also, there exists stiff competition amongst various private and public hospitals in Kenya because they want to retain their customer base and acquire others, and this has led to government drawing up strategic plans and improving efficiency and service delivery. Major challenges which the public hospitals face when implementing competitive strategies and plans

are high cost of maintaining high quality standards, inadequate internal support systems, economic downturn, government red tapes/bureaucracy, lack of funding, inability to differentiate products, and rising costs of doing business.

Various studies have been conducted on the application of strategic planning and implementation models mainly in the private sector in Kenya (Osigweh, 1989; Waithaka, 2001; Oluoch, 2003; Nyale, 2007; Wachira, 2008); Several studies have for instance looked at the application of Porters Five forces model in some industries based on a model advanced by Aosa (1997) which included three additional forces (government, logistics and power play) to the 5 forces model by Porter. These studies generally point to the fact that management and implementation is increasingly sensitive to the context in which their organizations operate. Despite the growth of strategic planning in public sector in Kenya, a review of the literature available reveals a gap of evidence testifying the applicability and impact of specific strategic implementation concepts in the performance of Government hospitals in Kenya.

2.3   Conceptual Framework

A conceptual framework is a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation. Mugenda and Mugenda (2003) and Smyth (2002), define a conceptual framework as hypothesized model identifying the model under study and the relationship between the dependent and independent variables. The goal of a conceptual framework is to categorize and describe concepts relevant to the study and map relationships among them. Such a framework would help researchers define the concept, map the research terrain or conceptual scope, systematize relations among concepts, and identify gaps in literature (Creswell, 2003).

Organizational Structure - Reporting lines - Communication flows - Decision making	
Organizational Culture - Innovation - Creativity - Resistance to change	**Strategy Implementation** -Clear strategies -Internal controls -Performance appraisals -Budget variance analysis
Leadership - Transformational - Transactional - Reward structure	
Resources - Financial - Human - Technical	
Communication - Clear communication lines - Bottom up - Top bottom	

D**ependent variable**

Commitment
Management support

Intervening Variable

Independent variable

Figure 2.1: Conceptual Framework

2.3.1 Organization Structure and Strategy Implementation

Awino (2001) in the study to investigate effectiveness and problems of strategy implementation of financing higher education in Kenya by the higher education loans board identified lack of fit between strategy and structure as factor affecting successful strategy implementation. He cited lack of fit between strategy and structure; inadequate information and communication systems; and failure to impart new skills. Koske (2003) observes that there are many organizational characteristics, which act to constrain strategy implementation. He identified most challenges as concerning connecting strategy formulation to implementation; resource allocation; match between structure with strategy; linking performance and pay to strategies; and creating a strategy supportive culture. Whilst the strategy should be chosen in a way that it fits the organization structure the process of matching structure to strategy is complex (Bryars et al., 1996).

The structure that served the organization well at a certain size may no longer be appropriate for its new or planned size. The existing structure and processes in the organization support in different ways, there is likely to be problems should the existing structures be used to implement the changes. The current structures may as well distort and dilute the intended strategy to the point where no discernible change takes place. According to McCarthy et al (1986), creating that structure for managers is the selection of the organization structure and controls that will implement the chosen strategies effectively.

Factors relating to the organizational structure are the second most important implementation barrier according to Heide & Grønhaug & Johannessen‟s (2002) study. Drazin and Howard (1984) see a proper strategy-structure alignment as a necessary precursor to the successful implementation of new business strategies (Noble, 1999b). They point out that changes in the competitive environment require adjustments to the organizational structure. If a firm lags in making this realignment, is may exhibit poor performance and be at a serious competitive disadvantage. Gupta (1987) examines the relationships between SBUs‟ strategies, aspects of the corporate-SBU relationship, and implementation and finds that structures that are more decentralized produce higher levels of SBU effectiveness, regardless of the strategic context. Schaap (2006) also suggests that adjusting organizational structure according to perfect strategy can ensure successful strategy implementation.

Different strategy types have different requirements regarding an adequate organizational structure (White, 1986; Olson & Slater & Hult, 2005). White (1986) points out that the fit between business

unit strategy and the internal organization of multi-business companies does have an effect on business unit performance. Specifically, business units with pure cost strategies experience higher ROI when they have low autonomy. Pure differentiation strategies benefit, in terms of sales growth, from strong functional coordination (with responsibility for key functions unified under the business unit manager). Similarly, the ROI of cost strategies is, on average, higher when some functional responsibilities are shared. Olson, Slater and Hult (2005) identify a taxonomy comprised of four different combinations of structure/behavior types, which they label as: management dominant, customer-centric innovators, customer-centric cost controllers and middle ground. These alternative structure/behavior types are then matched with specific business strategies (i.e., Prospectors, Analyzers, Low Cost Defenders, Differentiated Defenders) in order to identify which combination (s) of structures and behaviors best serve to facilitate the process of implementing a specific strategy.

2.3.2 Organization Culture and Strategy Implementation

Although the literature available on the individual concepts of diversity, organizational culture and strategy implementation is extensive, the literature tends to focus on only one of the concepts. Strategic management literature has in recent years increasingly commented about the role of socio-cultural factors in strategy implementation. This proposes an underlying consensus about the ideal socio-cultural factors for strategy implementation, further implying that diversity and organizational culture could be profiled on a continuum stretching from supportive to non-supportive for strategy implementation. Strategy implementation literature lacks sufficient concrete evidence to form a clear understanding of the dimensions of such a diversity and cultural profile. As a result, it is neither easy to guide institutions about the areas of diversity and organizational culture that are crucial to strategy implementation, nor to assess these social-cultural factors on a scale of strategy implementation supportiveness.

Organizational culture literature makes it clear that culture is essential for both successful organizational change and maximizing the value of human capital. Culture management should become a critical management competency while the right culture may be a necessary condition for organizational success yet by no means a sufficient condition. An important challenge for managers is to determine what the most effective culture is for their organization and, when necessary, how to change the organizational culture effectively. Culture was initially seen as a means of enhancing internal integration and coordination, but the open system view of

organizations recognized that culture is also important in mediating adaptation to the environment. The traditional view of a strong culture could be contrary to the ability of organizations to adapt and change. Seeing culture as important for facilitating organizational innovation, the acceptance of new ideas and perspectives, and needed organizational change may require a different, or more nuanced, view of organizational culture. Schein (1992), notes that a strong organizational culture has generally been viewed as a conservative force, however, in contrast to the view that a strong organizational culture may be dysfunctional for contemporary business organizations that need to be change-oriented, he argues that just because a strong organizational culture is fairly stable does not mean that the organization will be resistant to change.

It is possible for the content of a strong culture to be change-oriented, even if strong organizational cultures in the past typically were not. He suggests that the culture of modern organizations should be *strong* but *limited,* differentiating fundamental assumptions that are *pivotal* (vital to organizational survival and success) from everything else that is merely *relevant* (desirable but not mandatory). Today's organizations, characterized by rapidly changing environments and internal workforce diversity, need a strong organizational culture but one that is less pervasive in terms of prescribing particular norms and behavioral patterns than may have existed in the past. This view was supported by Collins and Porras (1994) in their famous study (*Built to Last*) of companies that had strong and lasting performance. Aosa (1992), conducted an empirical investigation of aspects of strategy formulation and implementation within large private manufacturing companies in Kenya. Aosa (1992) observes that lack of compatibility between strategy and culture can lead to high organizational resistance to change and demotivation, which can in turn frustrate the strategy implementation. Cultural impact under estimation is yet another challenge to strategy implementation.

The implementation of a strategy often encounters rough going because of deep rooted cultural biases. This causes resistance to implementation of new strategies especially in organizations with defensive cultures. This is because they see changes as threatening and tend to favor continuity and security (Wang, 2000). It is the strategy maker's responsibility to choose a strategy that is compatible with the sacred or unchangeable parts of prevailing corporate culture (Thompson and Strickland, 1989). This offers a strong challenge to the strategy implementation leadership abilities. Qi (2005), puts forward seven factors for successful strategy implementation namely adequate feedback systems, sufficient resources, good leadership and direction skills,

motivation for all involved staff, communication and coordination, an appropriate company structure, an appropriate company culture. Company Culture, according to Qi (2005) may influence whether or not a certain strategy execution succeeds or not.

2.3.3 Organization Leadership and Strategy Implementation

Leadership is the art and science of applying a set of knowledge, skills, tools, and techniques by a leader to a project in order to meet or to exceed the needs and expectations of the stakeholders. It requires achieving a delicate balancing of strategic and tactical requirements. Leadership often requires determining what is possible and what is needed. Balancing capability and need generally results in defining the best that can be achieved with the limited resources available, rather than attempting to find the perfect solution.

Poor communication is a sign of poor leadership and management .Aaltonen and Ikavalko (2001) state that the amount of strategic communication in most organizations is large with both written and oral communication being used in form of top down communications. However, a great amount of information does not guarantee understanding and there is still much to be done in the field of communicating strategies. According to Wang (2000), communication should be two way so that it can provide information to improve understanding and responsibility and to motivate staff. Also they argue that communication should not be seen as a one-off activity throughout the implementation process. In many cases it is not so and therefore communication still remains a challenge to strategy implementation process

.The existing literature recognizes the benefits of capably managing projects in an order, and does not distinguish between leadership capabilities that are internally developed or internationally-recognized. Deploying a leadership style can have a positive impact on an organization, as the standards set out can reduce the time to deploy new practices by providing a common reference point for those developing the infrastructure to support the standard (Garcia, 2005).

The effects of leadership capability to the organization include: effective leadership and planning of the project implementation; the controlling of budgets and resources; and the provision of a consistent method of reporting across all projects, allowing staff to move between projects without having to relearn the leadership approach. In other words leadership capability

pushes 18 team members to understand each other. Another characteristic of leadership is to manage change effectively by providing appropriate tools and techniques (Kerzner, 2009).

Pearce et. al (1998), identified barriers to strategy implementation which include; competing activities that distract attention from implementing the decision; changes in responsibilities of key employees not clearly defined; key formulators of the strategic decision not playing active role in implementation; problem requiring top management involvement not communicated early enough; key implementation task and activities not sufficiently defined; information systems used to monitor implementation are inadequate; overall goals not sufficiently understood by employees; uncontrollable factors in the external environment; surfacing of major problems leafing the organization during implementation; and implementation taking more time than originally allocated. Meldrum an Atkinson (1998), identified two problems of implementation: a flawed vision of what it seems to be in a strategic position within an organization and a myopic view of what is needed for successful management of operational tasks and projects within a strategic brief.

Muhammad, Chaudhry and Abdur (2012) analyzed the impact of leadership on project performance. In this research study, leadership factors of HR planning were adopted on the basis of project nature and analyzed the effect of the factors on the performance of the project. The links of these factors with strategic goals and objectives of the project were explored in order to improve project performance. The data was collected from 70 employees from four main consultancies companies working together on a project, located in Lahore, Pakistan. Results suggest that leadership has positive links with project performance

2.3.4 Organization resources and Strategy Implementation

The resource-based view (RBV) seeks to explore the internal resources of an organization and how these can be leveraged to gain a competitive advantage. An analysis of an organization's resources can include its financial, physical, human, intellectual and reputational resources. In the deployment of these resources, it is also important to understand the core competences of an organization. Porter's (1985) value chain concept is an important part of this process.

David (1997) argues that allocating resources to particular divisions and departments does not mean that strategies will be successfully implemented. This is because a number of factors

commonly prohibit effective resource allocation. These include overprotection of resources, too great emphasis on short-term financial criteria, organizational policies, vague strategy targets reluctance to take risks, and lack of sufficient knowledge. Also, established organizations may experience changes in the business environment that can make a large part of their resource base redundant resources, which may be unable to free sufficient funds to invest in the new resources that are needed and their cost base will be too high (Johnson and Scholes, 2002)

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Ali (2011) examined the factors that affect financial sustainability of NGOs in Kenya with specific reference to Sisters Maternity Home (SIMAHO) in Garissa. The study found that donor relationship management contribute most to financial sustainability of nongovernmental followed by strategic financial management then income diversification while own income generation contributed the least to financial sustainability of nongovernmental organizations. The study recommends that in order to ensure that the NGOs remain sustainable; they should procure employees that are competent in strategic planning, plan implementation and financial analysis. Further recommendations are that NGO management should increase their income sources from their usual ones. The management should ensure that they maintain a good relationship with the donors mainly by information management, ensuring there is accountability and meaningful communications.

Muell and shani (2008) asserts that one of the inhibitors of strategy execution is the lack of resources; resources are either inadequate or unavailable when needed. In South Africa, inadequate or insufficient human resources contribute significantly to an organization challenge of successfully implementing strategies. Due to the skills shortage, it is not only difficult to recruit the right talent but also to retain the right talent. High executive turnover sees too many key managers depart before a strategy is fully executed. Chimhanzi & Morgan,s (2005) findings

indicate that firms devoting attention to the alignment of marketing and human resources are able to realize significantly greater successes in their strategy implementation. Specifically, these findings imply that marketing managers should seek to improve the relationship with their HR colleagues by emphasizing two of the process-based dimensions: joint reward systems and written communication.

Kamanga (2013) conducted a study to identify the causes of delay in completing road construction projects in Malawi. The results were analyzed using the Relative Importance Index (RII) and Spearman's Rank Correlation Coefficients, which indicated that the top ten causes of delay in Malawi are: shortage of fuel, insufficient contractor cash-flow, shortage of foreign currency for importation of materials and equipment, slow payment procedures adopted by the client in making progress payments, insufficient equipment, delay in relocating utilities, shortage of construction materials, delay in paying compensation to land owners, shortage of technical personnel, and delay in site mobilization. The causes of delay are significant and should be given attention by client organizations, consultants and contractors to enable the timely completion of projects in future.

2.3.5 Communication and Strategy Implementation

Many organizations are faced with the challenge of lack of institution of a two-way communication program that permits and solicits questions from employees about issues regarding the formulated strategy (Alexander, 2003). In addition to inability to solicit questions and feedback, lack of communications cause more harm as the employees are not told about the new requirements, tasks and activities to be performed by the affected employees, and, furthermore, cover the reason behind changed circumstances

 (Alexander, 2003). It is essential both during and after an organizational change to communicate information about organizational developments to all levels in a timely fashion (Rapa and Kauffman, 2005).However; one may misunderstand communication, or the sharing of information, as engagement and direct dialogue that produces lack of active participation in the process. The way in which a strategy is presented to employees is of great influence to their acceptance of it. To deal with this critical situation, an integrated communications plan must be developed. Such a plan is an effective vehicle for focusing the employees' attention on the value of the selected strategy to be implemented (Rapa and Kauffman, 2005).

CHAPTER THREE

RESEARCH METHODOLOGY

3.0   Introduction

This section outlined the methods and techniques used in this study. Methodology is a related set of assumptions that reflect how a researcher views reality and how this reality is articulated through research. Choice of method was reflective of what the researcher wants to uncover. To concretize research methodology this chapter covered research design, population, sampling technique, sample size, data collection instruments, pilot test and data analysis.

3.1   Research Design

A research design is the structure of research. It is the glue that holds all the elements in a research process project together. Orodho (2003) defines it as the scheme outline or plan that is used to generate answers to research problems. It is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance with research purpose.

This study used descriptive survey design. According to Sekaran and Bougie (2011) descriptive study is undertaken in order to ascertain and be able to describe the characteristics of the variable of interest in a situation. Descriptive studies are essential in many situations especially when using qualitative data in understanding the phenomena. In view of the above descriptions and strengths, descriptive survey is the most appropriate design for this study.

3.3   Population of the Study

Newing (2011) describes a population as the set of sampling units or cases that the researcher is interested in while Burns and Grove (2003) describe population as all the elements that meet the criteria for inclusion in a study. The population of this study was all the 18 medical centres in Nairobi County under the Ministry of Health. The medical health centres are stratified into Referral Hospitals (2), District Hospitals (4), Health Centres (9) and Medical Clinics (3). The target and accessible population of this study was all the CEO and department heads from all the health centres and only those who have been in employment for a period of 3 years.

3.4   Sampling Design and Sample Size

Kombo and Tromp (2009) and Kothari (2004) describe a sample as a collection of units chosen from the universe to represent it. Marczyk, Dematteo, Festinger (2005) and Yang (2008) defined

a sample as subset of the population to be studied. Sampling is the selection of a subset of individuals from within a population to yield some knowledge about the whole population, especially for the purposes of making predictions based on statistical inference. Its main advantages are cost, speed, accuracy and quality of the data (Ader, Mellenbergh, & Hand, 2008).

This study used stratified random sampling method. Stratified random sampling was used to classify employees into two strata. The two stratums were that of CEO employees, department heads and only those who have been in employment for a period of 3 years. Within each of the two strata simple random sampling was done to identify individual respondents who were issued with a questionnaire to respond to research statements.

A sample size of 108 respondents was selected.

Table 3.1: Sample Matrix

Category	Sample per Centre (18)	Sample Size
CEO Employees	1	18
Head of Departments	5	90
TOTAL	**6**	**108**

3.5   Data Collection Instrument and Procedure

This study utilised primary sources of information which was gathered by use of questionnaires. A questionnaire is a pre-formulated written set of questions to which the respondents record the answers usually within rather closely delineated alternatives. Likert scale is an interval scale that specifically uses five anchors of strongly disagree, disagree, neutral, agree and strongly agree. The likert measures the level of agreement or disagreement. Likert scale is good in measuring perception, attitude, values and behaviour. The likert scale has scales that assist in converting the qualitative responses into quantitative values (Mugenda & Mugenda, 2003, Upagade & Shende, 2012, Zikmund, Babin, Carr & Griffin, 2010).

A questionnaire was preferred because large amounts of information can be collected from a large number of people in a short period of time and in a relatively cost effective way. The results of the questionnaires can usually be quickly and easily quantified by either a researcher or through the use of a software package. The questionnaire contained open ended and closed ended questions. This approach was chosen because of questions flexibility, easiness with which

the interviewer could go in more depth, enabling to test the limit of the correspondent knowledge and allowing the researcher to make a more reliable assessment of what respondent really believes. The questionnaires were issued to the respondents through informal self-introduction. The individual respondents were identified via simple random sampling using internal informants. Two research assistants were engaged to assist in dropping and following up on the questionnaires.

3.8   Data Processing and Analysis

Data Analysis is the processing of data to make meaningful information (Sounders, Lewis and Thornbill, 2009). Burns and Grove (2003) define data analysis as a mechanism for reducing and organizing data to produce findings that require interpretation by the researcher. According to Hyndman (2008) data processing involves translating the answers on a questionnaire into a form that can be manipulated to produce statistics. This involves coding, editing, data entry, and monitoring the whole data processing procedure.

After data has been collected through questionnaires, it was prepared in readiness for analysis by editing, handling blank responses, coding, categorizing and keying into Statistical Package for Social Sciences (SPSS) computer software for analysis. SPSS was used to produce frequencies, descriptive and inferential statistics which were used to derived conclusions and generalizations regarding the population. Data was presented by use of tables, pie charts and graphs.

A multiple linear regression model was used to test the significance of the influence of the independent variables on the dependent variable. The multiple linear regression model was as laid below.

$Y = Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e,$

Where:

i. Y = the value of the dependent variable

ii. $\{\beta_i; i=1,2,3,4,5\}$ = The coefficients representing the various independent variables also called predictor variables

iii. $\{X_i; i=1,2,3,4,5\}$ = Values of the various independent variables (predictor variables).

iv. *e* is the error term which was assumed to be normally distributed with mean zero and

   constant variance.

Y = Strategy Implementation

X_1 = Organization Structure

X_2 = Organization Culture

X_3 = Leadership

X_4 = Resources

 X_5 = Communication Process

Using data gotten from SPSS, the regression model was tested on how well it fits the data. The significance of each independent variable was also tested, t- test called was applied. F-test was used to test the significance of the overall model at a 95 percent confidence level. The p-value for the F-statistic was applied in determining the robustness of the model. The conclusion was based on the basis of p value where if the null hypothesis of the beta was rejected then the overall model was significant and if null hypothesis was accepted the overall model was insignificant. In other words if the p-value was less than 0.05 then it was concluded that the model was significant and has good predictors of the dependent variable and that the results are not based on chance. If the p-value was greater than 0.05 then the model was not significant and cannot be used to explain the variations in the dependent variable.

3.9   Operationalization of Variables

Table 3.2: Operationalization of Variables

Variable Name	Type of Variable	Data Collection method	Type of Scale	Type of analysis	Level of analysis
Organization Structure	Independent Variable	Questionnaire	Interval & Nominal	Qualitative & Quantitative	Frequencies, Descriptive & Inferential statistics
Organization Culture	Control variable	Questionnaire	Interval & Nominal	Qualitative & Quantitative	Frequencies, Descriptive & Inferential statistics
Organization Leadership	Dependent Variable	Questionnaire	Interval & Nominal	Qualitative & Quantitative	Frequencies, Descriptive & Inferential statistics
Organization Resources	Dependent Variable	Questionnaire	Interval & Nominal	Qualitative & Quantitative	Frequencies, Descriptive & Inferential statistics

Variable Name	Type of Variable	Data Collection method	Type of Scale	Type of analysis	Level of analysis
communication	Dependent Variable	Questionnaire	Interval & Nominal	Qualitative & Quantitative	Frequencies, Descriptive & Inferential statistics

3.10 Ethical Considerations

Ethical considerations relate to the moral standards that the researcher should consider in all research methods in all stages of the research design. After approval from Egerton University is obtained to conduct the study, permission was obtained from the Management of health centers. In this research three principles ethics were used namely beneficence, respect for human dignity as well as justice. Following the three principles, sensitivity to the participants' emotions was observed when probing questions that could psychologically harm the participants as well as protect the participants from adverse situations. The respondents were assured that their identity and information provided will be kept confidential, and shall be treated with discreet confidence. Rapport was built right from the start in order to win the confidence of the respondents. The researcher booked appointments with the cyber owners and/operators beforehand, and was careful to manage the time availed for any kind of interaction (e.g. interview or questionnaire), properly.

Simple and acceptable language was used to reach different levels of people. All respondents and informants were acknowledged for their contribution. The researcher ensured that all research instruments were reliable and gave accurate data. Interpretation of data was as accurate as possible; to ensure the research findings were reliable. Respect was accorded to all participants of the study regardless of their status or creed.

CHAPTER FOUR

DATA ANALYSIS

4.1   Introduction

The chapter presents the empirical findings and results of the application of the variables using techniques mentioned in chapter three. Specifically, the data analysis was based on specific objectives where patterns were investigated, interpreted and implications drawn on them. The chapter starts with a preliminary analysis of the data before analyzing the study variables.

4.2   Response Rate

The number of questionnaires that were administered was 108 to the CEO employees, department heads of public hospitals in Nairobi County. A total of 73 questionnaires were properly filled and returned which represented an overall successful response rate of 67.6%. According to Mugenda and Mugenda (2003), a response rate of 50% or more is adequate. Babbie (2004) also asserted that return rates of 50% are acceptable to analyze and publish, 60% is good and 70% is very good.

Table 4.1: Response Rate

Response	Frequency	Percent
Returned	73	67.6
Unreturned	35	32.4
Total	**108**	**100**

4.3   Respondents Background Information

This section analyzes the demographic characteristics of the respondents (public hospitals employees).

4.3.1   Gender of the Respondents

The respondents were asked to indicate their gender. Figure 4.1 shows that majority (82%) of the respondents was male and 18% were female. The differences in gender representation indicate the population ratio of hospitals employee's population where there are more male employees than female in the formal sector. According to Ellis, Cutura, Dione, Gillson, Manuel

and Thongori (2007), in spite of women being major actors in Kenya's economy, and notably in agriculture and the informal business sector, men dominate in the formal sector citing the ratio of men to women in formal sector as 74%:26%.
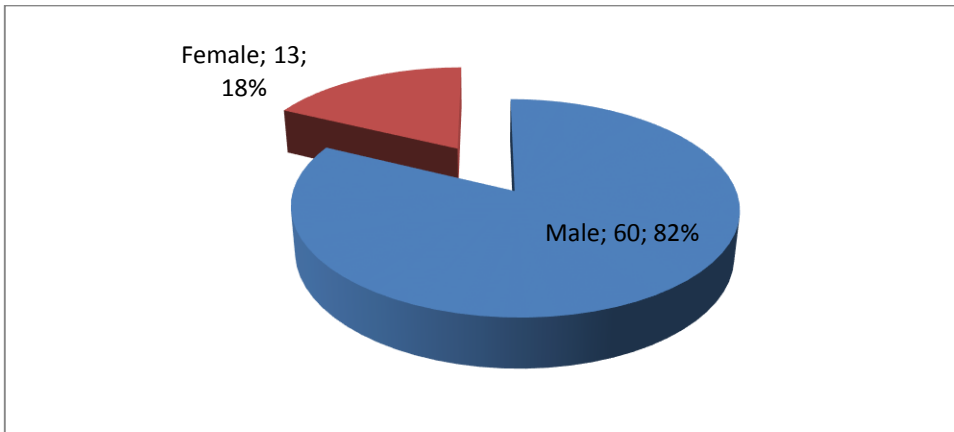
Figure 4.1: Gender of the Respondents

4.3.2   Age of the Respondents

The respondents were asked to indicate their age brackets. Results in Figure 4.2 revealed that majority (62%) of the respondents were aged between 31 to 40 years and 38% were aged between 21 to 30 years. The findings imply that most of the respondents were at their career peak. The findings also imply that most of the respondents were youths hence young work force which can cope with long working hours and night shifts at the hospital sector.
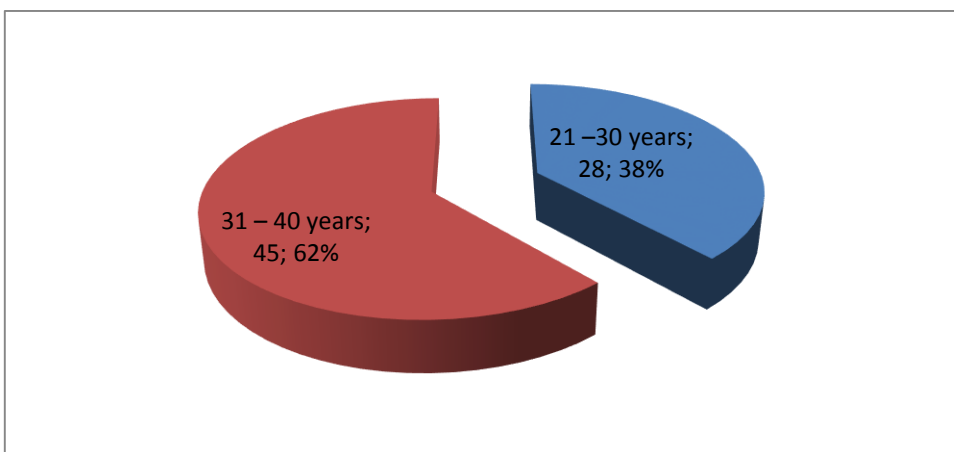
Figure 4.2: Age Bracket

4.3.3 Education level of the Respondents

Table 4.2 shows that 87.7% of the respondents had either a bachelor degree or a diploma of which 56.2% had bachelor degrees. This indicates that hospital sector employs qualified manpower. However, the company is in a sector where manual activities are carried out and this could be represented by the 12.3% who had only secondary certificates.

Table 4.2: Level of Education

Education Level	Frequency	Percent
Secondary	9	12.3
Diploma	23	31.5
Bachelor's Degree	41	56.2
Total	73	100

4.3.4 Length of Employment

The respondents were asked to indicate the length of period they have worked in the industry. Figure 4.3 illustrates that 45% of the respondents had worked for a period of between 6 to 10 years, 41% indicated between 11- 15 years and 14% indicated between 1- 5 years. This also indicates that 86% of the respondents have worked in the industry for between 6 years and 15 years. The findings imply that the respondents had worked long enough in hospital sector and hence had knowledge about the issues that the researcher was looking for.

Figure 4.3: Length of Employment

4.4   Strategy Implementation

The study sought to determine the state of strategy implementation at government hospitals. Table 4.3 shows that 53.4% of the respondents agreed that their hospital strategies are effective at detecting fraud, 74% agreed that their hospital had appropriate and sufficient internal controls in place and 80.8% agreed that their hospital do conduct performance appraisals at least twice in a year. Forty five point two percent of the respondents agreed that their hospital conduct monthly and yearly budget variance analysis, 64.3% agreed that their hospital do produce daily, weekly, monthly, quarterly and yearly financial reports and 47.9% agreed that the performance appraisals are supported by rewards. The mean score for this section was 3.39 which indicates that majority of the respondents agreed that there was effective strategy implementation at the government hospitals.
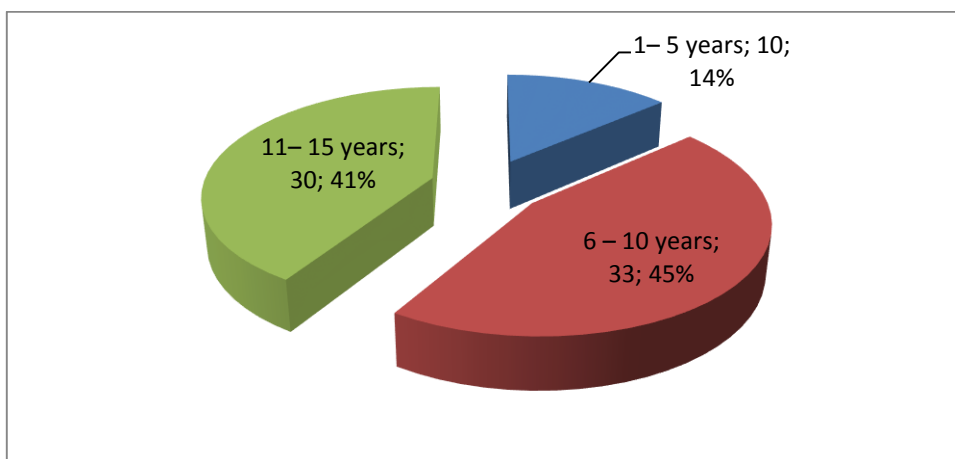
Table 4.3: Strategy Implementation

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Likert Mean
My hospital strategies are effective at detecting fraud	11.0%	26.0%	9.6%	34.2%	19.2%	3.25
My hospital has appropriate and sufficient internal controls in place	6.8%	9.6%	9.6%	50.7%	23.3%	3.74
My hospital does conduct performance appraisals at least twice in a year	6.8%	8.2%	4.1%	64.4%	16.4%	3.75
My hospital conducts monthly and yearly budget variance analysis	13.7%	34.2%	6.8%	30.1%	15.1%	2.99
My hospital does produce daily, weekly, monthly, quarterly and yearly financial reports	4.1%	23.3%	8.2%	43.8%	20.5%	3.53
The performance appraisals are supported by rewards	16.4%	26.0%	9.6%	31.5%	16.4%	3.05
Average						**3.39**

4.5   Organizational Structure and Strategy Implementation

The first objective of the study was to establish the effect of organizational structures on strategy implementation in Government hospitals in Nairobi County. Table 4.4 illustrates that 53.4% of the respondents agreed that the current structures may as well distort and dilute the intended strategy to the point where no discernible change takes place, 61.7% agreed that effective corporate governance mechanisms do not exit and 47.9% agreed that the organization structure does not support bottom up communication. Furthermore, 69.8% of the respondents agreed that

there is a lack of compatibility between strategy and structure, 72.6% agreed that there are no clear reporting lines and 61.6% agreed that existing structure do not encourage Flexibility and slows decision making. The mean score for this section was 3.41 which indicates that majority of the respondents agreed that organizational structure was a key driver in strategy implementation.

The findings agree with those in a study done by Heide , Gronhaug and Johannessens (2002) on factors relating to the organizational structure are the second most important implementation barrier and asserted that proper strategy and structure alignment are a necessary precursor to the successful implementation of new business strategies (Noble, 1999b). The findings alos agree with those in Drazin and Howard (2004) who further pointed out that changes in the competitive environment require adjustments to the organizational structure. If a firm lags in making this realignment, is may exhibit poor performance and be at a serious competitive disadvantage.

Table 4.4: Organizational Structure and Strategy Implementation

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Likert Mean
The current structures may as well distort and dilute the intended strategy to the point where no discernible change takes place.	11.0%	26.0%	9.6%	32.9%	20.5%	3.26
Effective corporate governance mechanisms do not exit	8.2%	21.9%	8.2%	38.4%	23.3%	3.47
The organization structure does not support bottom up communication	6.8%	37.0%	8.2%	30.1%	17.8%	3.15
There is a lack of compatibility between strategy and structure	4.1%	19.2%	6.8%	47.9%	21.9%	3.64
There are no clear reporting lines	5.5%	15.1%	6.8%	58.9%	13.7%	3.6
Existing structure does not encourage Flexibility and slows decision making	11.0%	23.3%	4.1%	45.2%	16.4%	3.33
Average						**3.41**

4.6   Organization Culture and Strategy Implementation

The second objective of the study was to find out the effect of organizational culture on strategy implementation in Government hospitals in Nairobi County. Results indicate that majority (88.8%) of the respondents agreed that the culture of hospitals discourages innovation and

creativity, 87.7% agreed that there was resistance to implementation of the strategies and 82.2% agreed that there was a lack of compatibility between strategy and culture. Eighty three point five percent of the respondents agreed that the implementation of a strategy often encounters rough going because of deep rooted cultural biases like fear of technology and performance based reward system, 80.8% agreed that existing culture in hospitals does not create a competitive environment and 83.5% agreed that the employees see change as threatening and tend to favor "continuity" and "security". The mean score for this section was 4.03 which indicates that majority of the respondents agreed that organizational culture was a key driver in strategy implementation.

The findings are consistent with those of Aosa (1992) who observed that lack of compatibility between strategy and culture can lead to high organizational resistance to change and demotivation, which can in turn frustrate the strategy implementation. Therefore, as Aosa (1992) puts it cultural impact under estimation is yet another challenge to strategy implementation. The results are also consistent with those in Wang (2000) who argued that the implementation of a strategy often encounters rough going because of deep rooted cultural biases. This causes resistance to implementation of new strategies especially in organizations with defensive cultures. This is because they see changes as threatening and tend to favor continuity and security. Furthermore, the results are consistent with those in (Thompson and Strickland, 1989) who asserted that it is the strategy maker's responsibility to choose a strategy that is compatible with the "sacred" or unchangeable parts of prevailing corporate culture.

Table 4.5: Organization Culture and Strategy Implementation

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Likert Mean
The culture of hospitals discourages innovation and creativity	0.0%	6.8%	4.1%	56.2%	32.9%	4.15
There is resistance to implementation of the strategies	2.7%	9.6%	0.0%	58.9%	28.8%	4.01
There is a lack of compatibility between strategy and culture	0.0%	17.8%	0.0%	46.6%	35.6%	4
The implementation of a strategy often encounters rough going because of deep rooted cultural biases like fear of technology and performance based reward system	0.0%	15.1%	1.4%	53.4%	30.1%	3.99
Existing culture in hospitals does not create a competitive environment	0.0%	19.2%	0.0%	50.7%	30.1%	3.92
The employees see changes as threatening and tend to favor "continuity" and "security"	0.0%	15.1%	1.4%	43.8%	39.7%	4.08
Average						**4.03**

4.7   Organizational Leadership and Strategy Implementation

Another objective of the study was to determine the effect of organizational leadership on strategy implementation in Government hospitals in Nairobi County. Table 4.6 reveals that 80.8% of the respondents agreed that the current leadership was not transformational, 79.5% agreed that the management had not put in place proper compensation and reward structure for strategy implementation and 87.7% agreed that the current management has flawed vision of what seems to be the strategic position of hospitals. In addition, 79.5% of the respondents agreed that the current leadership has a myopic view of what is needed for successful management of operational tasks and projects within a strategic brief and 72.6% agreed that the management was not carrying out its functions of Planning, Organizing, Staffing, Directing and Controlling effectively. The mean score for this section was 3.89 which indicates that majority of the respondents agreed that organizational leadership was a key driver in strategy implementation.

The findings are in agreement to those in Aaltonen and Ikavalko (2001) who asserts that lack of understanding of a strategy is one of the obstacles of strategy implementation. They point out that many organizational members typically recognize strategic issues as important and also understand their context in generic terms. However, the problem in understanding arises when it comes to applying issues in the day to day decision making. The findings also agree with those in Meldrum an Atkinson (1998) who identified two problems of implementation: a flawed vision of what it seems to be in a strategic position within an organization and a myopic view of what is needed for successful management of operational tasks and projects within a strategic brief. The findings are also consistent with those in Bryson (2005) who asserts that failure by management to put in place proper compensation structure may be responsible for failure in strategy implementation. Bryson (2005) asserts that people must be adequately compensated for their hard work.

Table 4.6: Organizational Leadership and Strategy Implementation

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Likert Mean
The current leadership is not transformational	0.0%	19.2%	0.0%	49.3%	31.5%	3.93
The management has not put in place proper compensation and reward structure for strategy implementation	1.4%	19.2%	0.0%	50.7%	28.8%	3.86
The current management has flawed vision of what seems to be the strategic position of hospitals	1.4%	9.6%	1.4%	64.4%	23.3%	3.99
The current leadership has a myopic view of what is needed for successful management of operational tasks and projects within a strategic brief	2.7%	9.6%	8.2%	52.1%	27.4%	3.92
The management is not carrying out its functions of Planning, Organizing, Staffing, Directing and Controlling effectively	1.4%	9.6%	16.4%	60.3%	12.3%	3.73
Average						**3.89**

4.8   Organization Resources and Strategy Implementation

The other objective of the study was to establish the effect of organizational resources on strategy implementation in Government hospitals in Nairobi County. Results on Table 4.7 indicates that 90.4% of the respondents agreed that some strategic objectives have not been allocated enough resources in terms of personnel, financial or ICT, 91.7% agreed that strategy implementation teams have inadequate experience in strategy implementation and 91.8% agreed that strategy implementation teams have inadequate education and training background. All the respondents agreed that some of the financial and non-financial resources allocated to strategy implementation are being misused and 82.2% agreed that due to the large revenue base, fiscal illusion and the problem of too much money was a factor affecting strategy implementation. The mean score for this section was 4.12 which indicates that majority of the respondents agreed that organizational resources was a key driver in strategy implementation

The findings agree with those of David (1997) who argues that allocating resources to particular divisions and departments does not mean that strategies will be successfully implemented. This is because a number of factors commonly prohibit effective resource allocation. These include overprotection of resources, too great emphasis on short-term financial criteria, organizational policies, vague strategy targets reluctant to take risks, and lack of sufficient knowledge. The findings also agree with those of Johnson and Scholes(2002) which argue that established organizations may experience changes in the business environment that can make a large part of their resource base redundant resources, which may be unable to free sufficient funds to invest in the new resources that are needed and their cost base will be too high . In addition, the findings agree with those of Bryson (2005) who observes that people's intellect creativity, skills, experience and commitment are necessary towards effective implementation. The finds agree with those in Chimhanzi & Morgans (2005) which indicated that firms devoting attention to the alignment of marketing and human resources are able to realize significantly greater successes in their strategy implementation. Finally, the results are consistent with those of Muell and shani (2008) asserts that one of the inhibitors of strategy execution is the lack of resources; resources are either inadequate or unavailable when needed.

Table 4.7: Organizational Resources and Strategy Implementation

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Likert Mean
Some strategic objectives have not been allocated enough resources in terms of personnel, financial or ICT	1.4%	2.7%	5.5%	75.3%	15.1%	4
Strategy implementation teams have inadequate experience in strategy implementation	0.0%	2.7%	5.5%	71.2%	20.5%	4.1
Strategy implementation teams have inadequate education and training background	0.0%	1.4%	6.8%	58.9%	32.9%	4.23
Some of the financial and non-financial resources allocated to strategy implementation are being misused.	0.0%	0.0%	0.0%	68.5%	31.5%	4.32
Due to the large revenue base, fiscal illusion and the problem of too much money is a factor affecting strategy implementation	4.1%	8.2%	5.5%	50.7%	31.5%	3.97
Average						**4.12**

4.9 Communication

The respondents were asked to indicate if the organization communicates to staff when planning to execute the various strategies and activities. Figure 4.4 shows that 44% of the respondents agreed that the organization always communicates to staff when planning to execute various strategies, while 41% indicated very often and 12% of the respondents indicated not at all.

The findings agree with those in Rapert, Velliquette and Garretson (2002) who asserted that organizations where employees have easy access to management through open and supportive communication climates tend to outperform those with more restrictive communication environments. The findings further agree with those of Peng and Litteljohn (2001) who showed that effective communication is a key requirement for effective strategy implementation. Organizational communication plays an important role in training, knowledge dissemination and learning during the process of strategy implementation. In fact, communication is pervasive in every aspect of strategy implementation, as it relates in a complex way to organizing processes, organizational context and implementation objectives which, in turn, have an effect on the process of implementation.
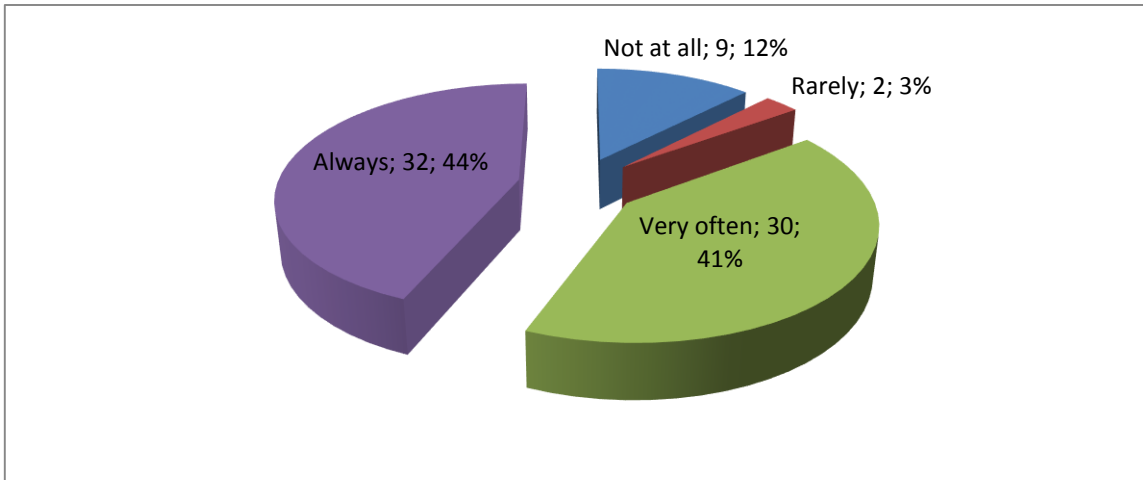
Figure 4.4: Communication

4.10 Commitment

The respondents were asked to indicate whether various strategies and policies enjoy the full support and commitment by the majority of employees. Results illustrate that 56.2% of the respondents indicated that the strategies and policies were fully supported and the employees were committed. The findings agree with those in Rapert, Lynch and Suter (1996) and Heracleous (2000) who asserted that shared understanding without commitment may result in "counter effort" and negatively affect performance and strategic implementation efforts may fail if the strategy does not enjoy support and commitment by all the stakeholders. This may be the case if they were not consulted during the development phase. The study findings also agree with those in Alexander (1985) who thinks obtaining employee commitment and involvement can promote successful strategy implementation (on the basis of telephone interviews with top management like CEOs).
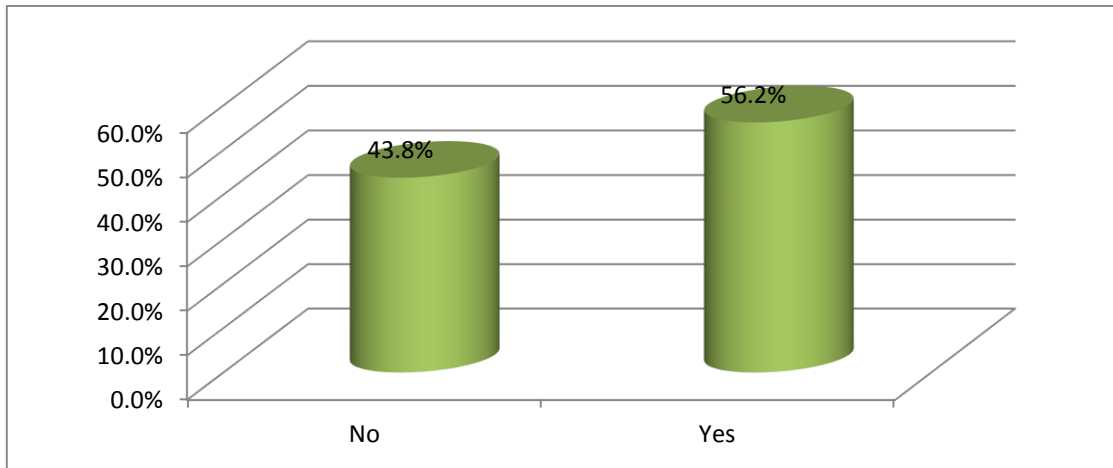
Figure 4.5: Commitment

4.11 Inferential Statistics

This section has analysis of the questionnaire responses using inferential statistics like correlation and regression.

4.11.1 Bivariate Correlation

Table 4.8: Relationship between Variables

Variable		Strategy Implementation	Structure	Culture	Leadership	Resources	Communication
Strategy Implementation	Pearson Correlation	1					
	Sig. (2-tailed)						
Structure	Pearson Correlation	0.851	1				
	Sig. (2-tailed)	0.00					
Culture	Pearson Correlation	0.834	0.745	1			
	Sig. (2-tailed)	0.000	0.000				
Leadership	Pearson Correlation	0.852	0.788	0.779	1		
	Sig. (2-tailed)	0.000	0.000	0.000			
Resources	Pearson Correlation	0.622	0.598	0.524	0.494	1	
	Sig. (2-tailed)	0.000	0.000	0.000	0.000		
Communication	Pearson Correlation	0.469	0.458	0.334	0.279	0.284	1
	Sig. (2-tailed)	0.000	0.000	0.001	0.019	0.000	

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Table displays 4.8 above shows the results of correlation test analysis between the dependent variable (strategy implementation) and independent variables and also correlation among the independent variables themselves. Results indicated that there was a positive and significant relationship between strategy implementation and all the independent variables. This reveals that any positive change in organization structure, organization culture, organization leadership, organization resources and communication leads to increase in strategy implementation.

The results indicated that there exist a positive and significant (r=0.851, p<0.000) correlation between strategy implementation and organization structure the correlation between the variables indicates that an increase in the effectiveness of organization culture is accompanied by an increase in effectiveness in strategy implementation.

The results also indicated that there exist a positive and significant (r=0.834, p>0.000) correlation between strategy implementation and organization culture. The correlation between the variables indicates an increase in the effectiveness of organization culture is accompanied by an increase in effectiveness in strategy implementation

Organizational leadership was also found to have a positive significant relationship with strategy implementation (r=0.852, p<0.000). The correlation between the variables indicates that if organizational leadership is improved and enhanced will led to increase in effectiveness of strategy implementation.

The results indicated that there exist a positive and significant (r=0.622, p<0.000) correlation between strategy implementation and organization resources. The correlation between the variables indicates that an increase in the effectiveness of organization resources is accompanied by an increase in effectiveness in strategy implementation

Finally results indicated that there exists a positive and significant (r=0.469, p<0.000) correlation between communication and Cash Transfer timeliness. The correlation between the variables indicates that if communication then it would be associated by an increase in effectiveness strategy implementation

4.11.2 Regression Analysis

In order to establish the statistical significance of the independent variables on the dependent variable (strategy implementation) regression analysis was employed. The regression equation took the following form.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

Where:

Y = Strategy Implementation

X_1 = Organization Structure

X_2 = Organization Culture

X_3 = Leadership

X_4 = Resources

X_5 = Communication Process

In the model, β_0 = the constant term while the coefficient $\beta_i i = 1 \ldots 5$ was used to measure the sensitivity of the dependent variables (Y) to unit change in the predictor variables. $\in$ is the error term which captures the unexplained variations in the model.

Table 4.9 shows that the coefficient of determination also called the R square is 87%. This means that the combined effect of the predictor variables (structure, culture, leadership, resources and communication) explains 87% of the variations in strategy implementation at the government hospitals. The correlation coefficient of 93.3% indicates that the combined effects of the predictor variables have a strong and positive correlation with strategy implementation.

Table 4.9: Regression Model Fitness

Indicator	Coefficient
R	0.933
R Square	0.87
Std. Error of the Estimate	0.38307

Analysis of variance (ANOVA) on Table 4.10 shows that the combined effect of structure, culture, leadership, resources and communication was statistically significant in explaining changes in strategy implementation. This is demonstrated by a p value of 0.000 which is less than the acceptance critical value of 0.05. The results indicated that the overall model was significant, that is, the independent variables were good joint explanatory variables/determinants for strategy implementation (F=89.752, P value =0.000).

Table 4.10: Analysis of Variance (ANOVA)

Indicator	Sum of Squares	Df	Mean Square	F	Sig.
Regression	65.852	5	13.17	89.752	0.000
Residual	9.832	67	0.147		
Total	75.683	72			

Table 4.11 displays the regression coefficients of the independent variables. The results reveal that structure, culture, leadership, resources and communication are statistically significant in explaining strategy implementation in government hospitals.

Regression results in Table 4.11 indicated that the relationship between organization structure and strategy implementation was positive and significant (β = 0.223, p value, 0.012). This implies that an increase in the effectiveness of organizational structure by 1 unit leads to an increase in strategy implementation by 0.223 units.

Regression results further indicated that the relationship between organization culture and strategy implementation was positive and significant (β =0.321, p value, 0.001). This implies that an increase in the effectiveness of organizational culture by 1 unit leads to an increase in strategy implementation by 0.321 units.

Results further indicated that the relationship between organization leadership and strategy implementation was positive and significant (β = 0.454, p value, 0.000). This implies that an

increase in effectiveness on organization leadership by 1 unit leads to an increase in strategy implementation by 0.454 units.

Regression results further indicated that the relationship between organization resources and strategy implementation was positive and significant (β =0.291, p value, 0.025). This implies that an increase in availability of resources by 1 unit leads to improved strategy implementation by 0.291 units.

Finally the results revealed that communication and strategy implementation had a positive and significant relationship (β = 0.147, p value, 0.007). This implies that an increase in communication effectiveness by 1 unit leads to an increase in strategy implementation by 0.147 units.

Table 4.11: Regression Coefficients

Variable	Beta	Std. Error	t	Sig.
Constant	-2.075	0.466	-4.452	0.000
Communication	0.147	0.053	2.767	0.007
Structure	0.223	0.087	2.575	0.012
Culture	0.321	0.088	3.639	0.001
Leadership	0.454	0.103	4.405	0.000
Resources	0.291	0.127	2.291	0.025

CHAPTER FIVE

SUMMARY AND CONCLUSION

5.1   Introduction

This study sought to establish the determinants of effective strategy implementation in the government hospitals in Nairobi County. The purpose of this chapter is to discuss and summarize the findings of the study and finally give conclusions and recommendations for improvement or practice. This will be done with justification from the data that was collected and analyzed.

5.2   Summary of the Study

Organization Structure at government hospitals was inconsistent with strategy implementation and this may have been responsible for the poor strategy implementation at government hospitals. The findings were supported by a majority of respondent who indicated that the current structures may as well distort and dilute the intended strategy to the point where no discernible change takes place, that effective corporate governance mechanisms do not exit, the organization structure does not support bottom up communication, that there are no clear reporting lines. The findings were also supported by a positive correlation which implied that an increase in the effectiveness of organization structure leads to improved strategy implementation outcomes.

Results indicated that the culture at government hospitals was not conducive for strategy implementation. This may have led to the poor implementation of strategy at the hospitals. The findings were supported by a majority of respondents who indicated that culture of government hospital discourages innovation, there is resistance to implementation of the strategies, the employees see changes as threatening and tend to favor "continuity" and "security", the implementation of a strategy often encounters rough going because of deep rooted cultural biases and there is a lack of compatibility between strategy and culture. The findings were also supported by a positive correlation which implied that an increase in the effectiveness of organization culture leads to improved strategy implementation outcomes.

Organization leadership at the government hospitals is not effective and this may have contributed to the poor implementation of strategy. The findings were supported by a majority of respondents who asserted that the current leadership style is not transformational, the

management has not put in place proper compensation and reward structure for strategy implementation, the current management has flawed vision of what seems to be the strategic position of hospitals, the current leadership has a myopic view of what is needed for successful management of operational tasks and projects within a strategic brief, the management is not carrying out its functions of Planning, Organizing, Staffing, Directing and Controlling effectively. The findings were also supported by a positive correlation which implied that an increase in the effectiveness of leadership styles leads to improved strategy implementation.

Management of organization resources at government hospitals is not effective and this may have contributed to the poor implementation of strategy. The findings were supported by a majority of respondents who asserted that the statement that some strategic objectives have not been allocated enough team members and resources, the large revenue base, fiscal illusion and the problem of too much money is a factor affecting strategy implementation, strategy implementation teams have inadequate education and training background, some of the financial and non-financial resources allocated to strategy implementation are being misused, strategy implementation teams have inadequate experience in strategy implementation. The findings were also supported by a positive correlation which implied that an increase in the availability of organization resources leads to improved strategy implementation outcomes.

5.3   Conclusions

From the research findings and answers to the research questions, some conclusions can be made from the study. Strategy implementation processes are very vital for the functioning of any organization. A success rate of 3.39 Likert mean or 67.8%, it can be concluded that there was effective strategy implementation at the government hospitals. This was supported by the agreements from the respondents. Majority of the respondent agreed with the statements on Strategy implementation

 It is possible to conclude that organization structures in place in government hospitals in Nairobi distort and dilute the intended strategy. Organization structure at government hospitals was inconsistent with strategy implementation and this may have led to poor strategy implementation. Correlation and regression results shows that organization had a positive and significant impact on strategy implementation.

Organizational culture is a key determinant of strategy implementation .It can be concluded that The implementation of a strategy in Kenyan hospitals often encounters rough going because of deep rooted cultural biases in the organization .Therefore it was possible to conclude that culture at government hospitals was not conducive for strategy implementation and this may have led to poor strategy implementation. The results conclusion was backed up with the response of the respondents on the statements on organization culture. They indicated that the organization culture of government hospitals in Nairobi had a negative impact on strategy implementation.

Organization leadership is a key determinant of strategy implementation. It was concluded that leadership at government hospitals was not effective and this may have led to poor strategy implementation. Regression and correlation results showed that there was a positive relationship between organization leadership and strategy implementation.

The study concluded that organization resources is a key determinant of strategy implementation. The management of organization resources at government hospital is not effective and this may have led to poor strategy implementation. Regression and correlations results indicated that there is a positive and significant relationship between resources and strategy implementation.

The study concluded that communication channels for strategy implementation at government hospitals are not conducive for strategy implementation and this may have contributed to the poor implementation of strategy

5.4   Recommendations

The study makes the following recommendations based on the objectives of the study;

For strategy implementation to be successful, government hospitals and other health centre institutions needs to align its culture to strategy. Specifically, hospitals need to address the resistance of employees by improving on communication and training them and rewarding them adequately.

Government hospitals also need to align the organization structure to strategy. For instance, it needs to institute effective corporate governance mechanisms and also ensure that the

organization structure support bottom up communication. In addition, that clear reporting lines should be put in place.

The government hospital management needs to align the organization leadership to strategy. It should therefore ensure that the leadership style is transformational and not transactional. The management should also put in place proper compensation and reward structure for strategy implementation. Finally, the management should carry out its functions of Planning, Organizing, Staffing, Directing and Controlling effectively.

The hospitals management needs to align the organization resources to strategy. The management should ensure that all strategic objectives have been allocated enough team members & resources. The strategy implementation teams should have adequate education and training background. The management should ensure that some of the financial and non-financial resources allocated to strategy implementation are being misused. The strategy implementation teams should have adequate experience in strategy implementation.

5.5   Suggested Areas for Further Research

The study suggests that the study should be replicated in the private sector institutions that deal with providing health services and care to the public. This would yield results for comparison between private and public institutions. In addition, a replica of this study can be carried out with a further scope to include other government hospitals in other Counties and see whether the findings hold true. Future studies should apply different research instruments like interview guide, focus group discussions to involve respondents in discussions in order to generate detailed information which would help strategy implementation in Kenya.

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APPENDICES

Appendix I: Ministry of Health Hospitals in Nairobi County

Facility Name	County	Type	Owner	Location
Embakasi Medical Office	Nairobi	Health Centre	Ministry of Health	Mukuru
JKIA Health Centre	Nairobi	Health Centre	Ministry of Health	Embakasi
Mama Lucy Kibaki Hospital – Embakasi	Nairobi	District Hospital	Ministry of Health	Embakasi
Mathari Hospital	Nairobi	District Hospital	Ministry of Health	Mathare
Mbagathi District Hospital	Nairobi	District Hospital	Ministry of Health	Golfcourse
Korogocho Health Center	Nairobi	Health Centre	Ministry of Health	Korogocho
Kahawa Garrison Health Centre	Nairobi	Health Centre	Ministry of Health	Kasarani
Pumwani Maternity Hospital	Nairobi	District Hospital	Ministry of Health	Pumwani
GSU Training School	Nairobi	Health Centre	Ministry of Health	Embakasi
National Spinal Injury Hospital	Nairobi	Referral Hospital	Ministry of Health	Kilimani
NSIS Health Centre (Ruaraka)	Nairobi	Health Centre	Ministry of Health	Ruaraka
PSTC Health Centre	Nairobi	Health Centre	Ministry of Health	Ruaraka
Psychological Health Services	Nairobi	Health Centre	Ministry of Health	Parklands
Redeemed Health Centre	Nairobi	Health Centre	Ministry of Health	Kahawa
Kenyatta National Hospital	Nairobi	Referral Centre	Ministry of Health	Nairobi

Appendix II: Cover Letter

To: CEO

   …………………………………….

   ……………………………………

Date: ……/…..../2013

 Ref: <u>**LETTER OF REQUEST TO CARRY OUT RESEARCH IN YOUR HOSPITAL**</u>

I am currently an MBA student with Egerton University. Pursuant to the fulfillment of the award of Masters in Business Administration degree, I am expected to carry out a research project on a topic of my own. I therefore plan to research on "Determinants of effective strategy implementation in the government hospitals in Nairobi County".

This Hospital under your management has been selected for this study. I therefore request you to complete/assist the interviewer to complete the attached questionnaire. The information and data provided is needed for academic purpose only and will be treated confidentially.

Thank you in participating.

Yours truly,

Desderius Kiana Ayoti

Sign…………………………………………

Appendix III: Questionnaire

Note: The information in this questionnaire will be used strictly for academic purposes only and will be treated with utmost confidentiality. Kindly tick as appropriate

Questionnaire No…………….   Date………………………………..

Part 1: Bio-Data

1. Name of the Hospital …………………………………………………………

2. Year of establishment…………………………………………………………...

3. Gender   ( ) Male   ( ) Female

4. Age   Under 20 years ( )   21 –30 years ( )   31 – 40 years ( )

             41 – 50 years   ( )   51 – 60 years ( )

6. Educational Qualification   ( ) Secondary   ( ) Diploma ( ) Bachelors Degree ( )

                        Masters   ( )   Post Graduate Degree   ( )

7. Designation…………………………………………………….

8. How long have you been employed at this hospital

                1– 5 years   ( ) 6 – 10 years   ( )

                11– 15 years   ( ) 16 – 20 years   ( )

Section 2 : Strategy Implementation

1. This section aims at determining the state of strategy implementation at government hospitals. Please indicate your agreement or otherwise with the following statements using the following Likert scale.

Strongly Agree=5, Agree=4, Neutral =3, Disagree=2, strongly disagree=1

Statement	1	2	3	4	5
My hospital strategies are effective at detecting fraud					
My hospital has appropriate and sufficient internal controls in place					
My hospital does conduct performance appraisals at least twice in a year					
My hospital conducts monthly and yearly budget variance analysis					
My hospital does produce daily, weekly, monthly, quarterly and yearly financial reports					
The performance appraisals are supported by rewards					

Section 2a: Other factors affecting strategy implementation

What other factors are affecting strategy implementation at Government Hospitals in Nairobi County?

1. _____
2. _____
3. _____
4. _____
5. _____

Section 3: Organizational Structure

This section aims at determining whether organizational structure is a factor affecting strategy implementation in government hospitals at Nairobi County. Please indicate your agreement or otherwise with the following statements using the following Likert scale.

Strongly Agree=5, Agree=4, Neither Agree nor Disagree=3, Disagree=2, strongly disagree=1

Statement	1	2	3	4	5
The current structures may as well distort and dilute the intended strategy to the point where no discernible change takes place.					
Effective corporate governance mechanisms do not exit					
The organization structure does not support bottom up communication					
There is a lack of compatibility between strategy and structure					
There are no clear reporting lines					
Existing structure does not encourage Flexibility and slows decision making					

In what other ways does structure affect strategy implementation?

_____

_____

_____

Section 4: Organizational Culture

This section aims at determining whether organizational culture is a factor affecting strategy implementation at government hospitals in Nairobi County. Please indicate your agreement or otherwise with the following statements using the following Likert scale.

Strongly Agree=5, Agree=4, Neither Agree nor Disagree=3, Disagree=2, strongly disagree=1

Statement	1	2	3	4	5
The culture of hospitals discourages innovation and creativity					
There is resistance to implementation of the strategies					
There is a lack of compatibility between strategy and culture					
The implementation of a strategy often encounters rough going because of deep rooted cultural biases like fear of technology and performance based reward system					
Existing culture in hospitals does not create a competitive environment					
The employees see changes as threatening and tend to favor "continuity" and "security"					

In what other ways does culture affect strategy implementation?

_____

_____

_____

Section 5: Leadership

This section aims at determining whether organizational leadership is a factor affecting strategy implementation at government hospitals in Nairobi County. Please indicate your agreement or otherwise with the following statements using the following Likert scale.

Strongly Agree=5, Agree=4, Neither Agree nor Disagree=3, Disagree=2, strongly disagree=1

Statement	1	2	3	4	5
The current leadership is not transformational					
The management has not put in place proper compensation and reward structure for strategy implementation					
The current management has flawed vision of what seems to be the strategic position of hospitals					
The current leadership has a myopic view of what is needed for successful management of operational tasks and projects within a strategic brief					
The management is not carrying out its functions of Planning, Organizing, Staffing, Directing and Controlling effectively					

In what other ways does leadership affect strategy implementation?

_____

_____

_____

Section 6: Resources

This section aims at determining whether an organizational resource is a factor affecting strategy implementation at government hospitals in Nairobi County. Please indicate your agreement or otherwise with the following statements using the following Likert scale.

Strongly Agree=5, Agree=4, Neither Agree nor Disagree=3, Disagree=2, strongly disagree=1

Statement	1	2	3	4	5
Some strategic objectives have not been allocated enough resources in terms of personnel, financial or ICT					
Strategy implementation teams have inadequate experience in strategy implementation					
Strategy implementation teams have inadequate education and training background					
Some of the financial and non-financial resources allocated to strategy implementation are being misused.					
Due to the large revenue base, fiscal illusion and the problem of too much money is a factor affecting strategy implementation					

In what other ways does adequacy and management of resources affect strategy implementation?

Section 7: Communication

24 Does the organization communicate to staff when planning to execute the various strategies and activities?

Always [ ]

Very often [ ]

Rarely [ ]

Not at all [ ]

If they do, by what means do they communicate the information? ……………………………………

Section 8: Commitment

25 Do the various strategies and policies enjoy the full support and commitment by the majority of employees?   Yes ( ) No ( )

If Not, please explain………………………………………………….......................

Thank you for your co-operation